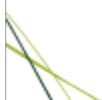


REPLAY



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already submitting reports to the SEC through the voluntary XBRL program. However, XBRL is not just for SEC companies: Small businesses and practitioners alike could soon be using XBRL to submit information to bankers, the IRS, and other agencies. In fact, XBRL will become a part of every CPA's practice, both large and small.

XBRL is a language for electronic communication of business data. Each item (depreciation expense, for example) is tagged with information about various attributes, such as calendar year, audited/unaudited status, currency, etc. XBRL-tagged data can be read by any software that includes an XBRL processor and thus can be easily transferred between computers. To create XBRL documents, you do not need to take an XML computer programming course. Software is available to tag data for clients, submit tagged data to various recipients, and receive and analyze tagged data from other sources.

### RECENT DEVELOPMENTS

In 2006 the SEC awarded a contract to XBRL US to develop taxonomies, which are dictionaries for tagged data, for U.S. financial reporting. A draft of the new XBRL US GAAP Taxonomies was released to the public on Dec. 5, 2007. Comments are due by April 4, 2008.

The banking industry has successfully used XBRL for its FDIC call reports since the first quarter of 2005. In addition, XBRL is already in use internationally. For example, China requires XBRL filings for its public companies, and XBRL is being used in public reporting in Japan, Spain, the Netherlands, the U.K., and other countries.

### PURPOSE

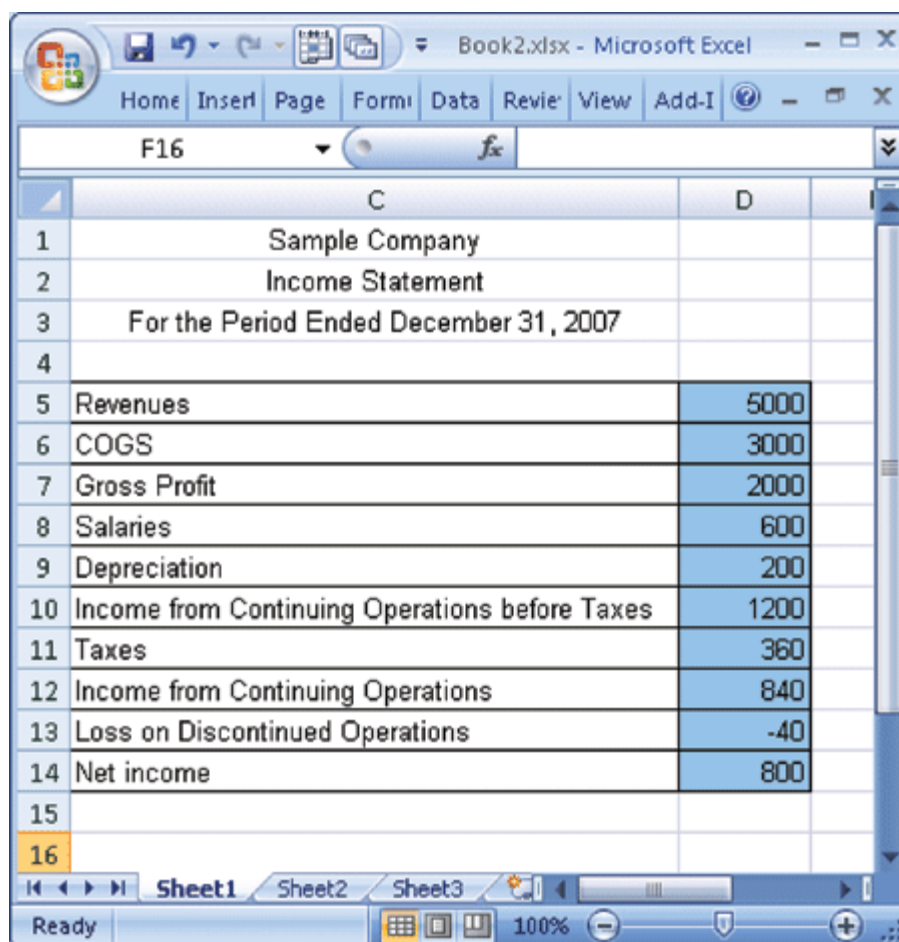
The purpose of this article is to give CPAs unfamiliar with XBRL an opportunity to see that assigning XBRL tags to financial statements does not require specialized expertise, but rather is something that any CPA can do with the help of software tools and a little practice. The article explains step by step how to tag a simple income statement for a sample company. The authors selected Rivet Software's Dragon Tag to create their document because it is currently the most common tool used by issuers participating in the SEC's voluntary filing program (see Exhibit 1). A number of other XBRL tagging tools are commercially available. The authors recommend that users carefully consider more than one tool in light of their specific needs.

**Step One: Download the taxonomies.** A taxonomy is a dictionary of tags used in the markup process. For demonstration purposes, go to the new US GAAP Taxonomies that are currently undergoing public review at <http://xbrl.us/usgaapreview/Pages/default.aspx> and select "Download Taxonomies." Download the zip file containing the taxonomies, and save it on your hard drive, since this will be used in setting up the entity's profile in Step Three.

Exhibit 1

**XBRL Software Tools\***

**Step Two: Open Dragon Tag and the file you wish to tag.** In Dragon Tag, choose “Start Excel with Dragon Tag Add-in.” If the Rivet menu option is not visible in Excel, go to Add-ins and select Rivet Software. Open the Excel file you wish to tag. In our demonstration, we are using Office 2007 and Dragon Tag 2006. However, the process using Office 2003 and earlier versions of Dragon Tag is very similar. For our example, we have prepared a short income statement to be tagged (see screenshot below).

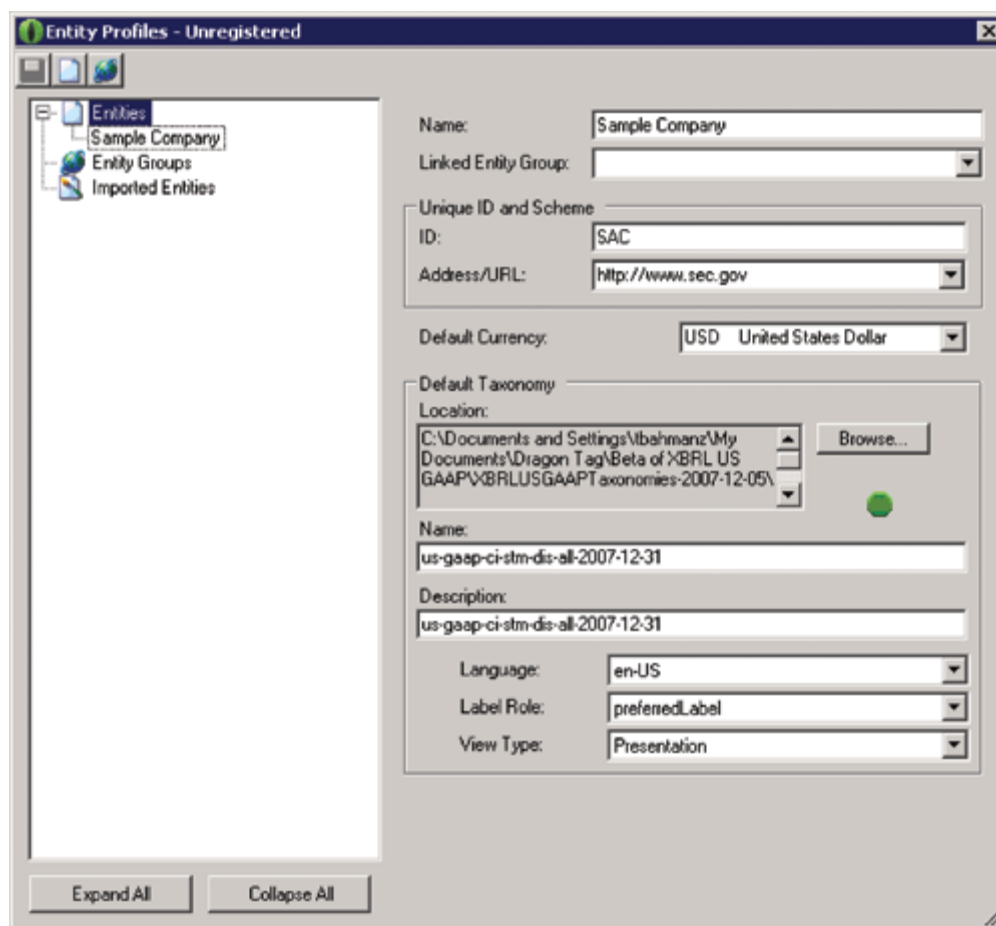


	C	D
1	Sample Company	
2	Income Statement	
3	For the Period Ended December 31, 2007	
4		
5	Revenues	5000
6	COGS	3000
7	Gross Profit	2000
8	Salaries	600
9	Depreciation	200
10	Income from Continuing Operations before Taxes	1200
11	Taxes	360
12	Income from Continuing Operations	840
13	Loss on Discontinued Operations	-40
14	Net income	800
15		
16		

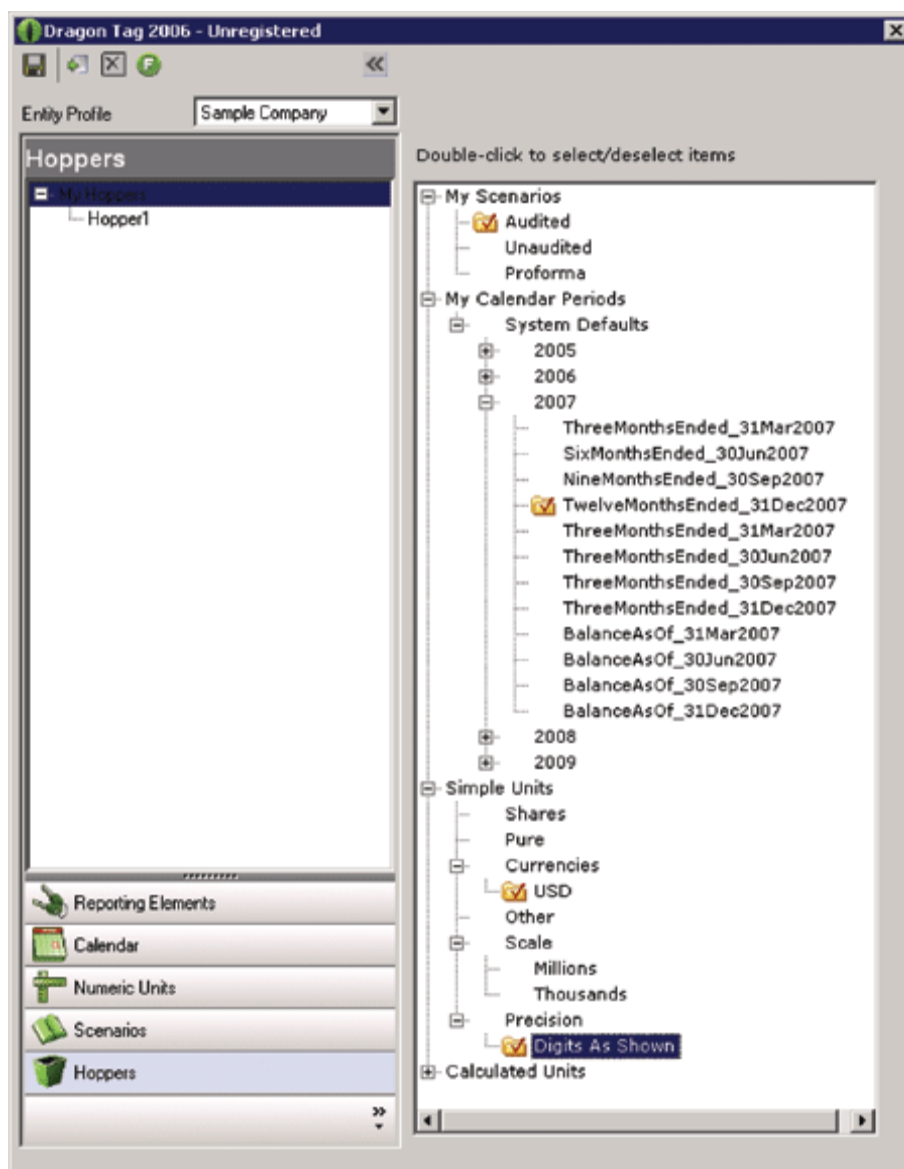
**Step Three: Set up the entity profile.** In this step you define the entity for which you are reporting. Enter a unique ID for the company, such as a tax ID or ticker symbol. For public companies, a common identifier is the company's Central Index Key (CIK) code used in SEC filings. In the “Address/URL” field, enter an address that will help identify your unique ID (typically **www.sec.gov** if the entity is a publicly traded company), but the URL must be an approved authoritative body or the Web address for the entity (see screenshot below).

Select the U.S. dollar as the default currency. Next, you must select the default taxonomy. Choose “Browse” and locate the taxonomy you downloaded in Step One. Click on the file and unzip it. Next choose the “Ind” folder, the “CI” folder, and finally “us-gaap-ci-stm-dis-all-2007-12-31.xsd.” There are many different industry taxonomies from which to choose, but we chose Commercial and Industrial (“CI”) for our demonstration. The remainder of the fields (“Language,” “Label Role” and “View Type”) will be completed automatically once you enter the default taxonomy.

enter the default taxonomy.

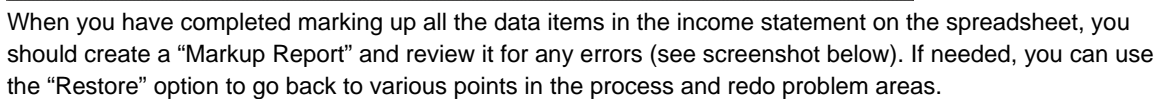


**Step Four: Mark up the data.** To mark up data efficiently, it is recommended that you set up a hopper to contain all the common elements for the data items. A hopper is a time-saving technique which applies more than one setting to a data item at one time. For instance, you do not want to enter the calendar year for each item individually. To set up a hopper for your reporting entity, choose “Hoppers” at the bottom left side of the screen. Then right click on “My Hoppers” and select “Add Hopper.” Next, click the scenario (“Audited,” “Unaudited” or “Proforma”), the calendar period and the units in which your data is reported. The precision factor determines the number of digits for your data, and you may choose thousands or millions for the scale factor. For instance, if numbers are entered in thousands and you select the scale as thousands, three zeroes will be added to each number in the marked-up data (see screenshot below). **Notice:** Other tagging tools may handle precision and scale differently.



Creating a hopper increases the efficiency and accuracy in marking up data. To apply the hopper, highlight the cells in the worksheet to which you want the hopper applied, and then drag and drop the hopper into the highlighted cells. Marked-up items are shaded blue by default, but you can exercise the option to use other colors for marked-up items and for different validation results (Step Five).

Next select "Reporting Elements" from the bottom left side of the screen. Choose the income statement and expand the sections to see all line items (see screenshot below). Identify the correct tag from the taxonomy, and drag and drop it on the appropriate cell in the spreadsheet. To confirm that you have marked individual items correctly, choose "Markup Data" and "Markup Review."



Hierarchy Report													
<input type="checkbox"/> All Metrics <input type="checkbox"/> Tables Only <input type="checkbox"/> Enumerated Values Only <input type="checkbox"/> Footnotes Only													
Date	Entity Name	Element Name	Element Label	Element Type	Normal Balance	Period Type	Weight	Unit	Processor	Scale	Scenarios	Signposts	Periods
2020	Sample Company	n/a	n/a	n/a	n/a	n/a	n/a	USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
40	Sample Company	IncomeLossDiscountedOperationsNet Audited	IncomeLossDiscountedOperationsNet Audited	nonstat	credit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
120	Sample Company	IncomeLossContinuingOperationsNet Income Loss	IncomeLossContinuingOperationsNet Income Loss	nonstat	credit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
140	Sample Company	IncomeLossContinuingOperations	IncomeLossContinuingOperations	nonstat	credit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
300	Sample Company	NetIncome	NetIncome	nonstat	credit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
900	Sample Company	StateAndChanges	StateAndChanges	nonstat	debit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017
1000	Sample Company	CostGoodSold	CostGoodSold	nonstat	debit	duration		USD Current Code (USD)	Digits As Shown: 10 Digits: 0	n/a	Scenario Name Audited Scenario Value TypemismatchScenario Scenario Value Name audited	n/a	TwelveMonthEnd: 31Dec2017 1/1/2018 - 12/31/2017

**Step Five: Validate.** Validation is completed in two steps: (1) validation of the markup and (2) validation of calculations. When validating calculations, there are two options: Enhanced Validation and Strict XBRL Validation. If you choose Enhanced Validation, you will have errors if only the summary (parent) elements are tagged and the taxonomy's detail (child) elements are not present in the statement you are tagging. Strict XBRL Validation allows you to omit some of the child elements. Notice that for items labeled "income/loss" in the taxonomy, you must enter a negative for loss items (see screenshots below).

Markup Validation - Unregistered

☒ Markup Errors ☐ Incomplete Markups

Location	Error Type	Error Message
		There are no validation errors found in the current document.

☒ Treat blanks as zeros

Opacity (50% to 100%)

Validate Clear Print Close



**Validate Calculations - Unregistered**

Select Taxonomy: us-gaap-ci-stm-dis-all-2007-12-31    Valid    Warning    Error

Validation Type: ☐ Strict XBRL Validation    ☒ Enhanced Validation

	Op	Sample Company 1/1/2007 - 12/31/2007 USD:Currency Code[USD] reportScenario:audited
http://xbrl.us/us-gaap/role/disclosure/CompensationRelatedCos	+	
[LaborRelatedExpenses]	+	
[SalariesAndWages]	+	600
http://xbrl.us/us-gaap/role/disclosure/DiscontinuedOperations	+	
[IncomeLossDiscontinuedOperationsNetTaxEffect]	+	-10
http://xbrl.us/us-gaap/role/disclosure/DiscontinuedOperationsC	+	
[IncomeLossDiscontinuedOperationsNetTaxEffect]	+	-10
http://xbrl.us/us-gaap/role/disclosure/EarningsPerShare	+	
[NetIncomeApplicableCommonStockholders]	+	
[IncomeBeforeExtraordinaryItemsCumulativeEffectChangeA	+	
[IncomeLossDiscontinuedOperationsNetTaxEffect]	+	-10
[IncomeLossAvailableToCommonStockholders]	+	
[NetIncome]	+	800
http://xbrl.us/us-gaap/role/disclosure/IncomeTaxes	+	
[IncomeLossContinuingOperationsBeforeIncomeTaxes	+	1200
http://xbrl.us/us-gaap/role/statement/StatementOfCashFlowsIn	+	
[NetIncreaseDecreaseCashCashEquivalents]	+	
[NetCashFlowsProvidedUsedOperatingActivities]	+	
[NetCashProvidedByUsedInOperatingActivitiesContinuing	+	
[IncomeLossContinuingOperations]	+	810

Validation Status: **Warning(s) found**

Validate    Print    Close

**Step Six: Export.** Once the data has passed validation, you are ready to export the data as an XBRL file. Select "Export XBRL" from the dropdown menu. You may filter files for export by worksheet for a particular client, by files using a particular taxonomy, or by files from a particular time period (see screenshot below).

**Export XBRL - Unregistered**

General    Advanced

Selection criteria

Selected Markups: All Excel workbook markups

☒ Filter By:    Taxonomies

☒ Taxonomies    Name

☐ Worksheets    ☒ us-gaap-ci-stm-dis-all-2007-12-31

☐ Time Periods

Select All    Deselect All

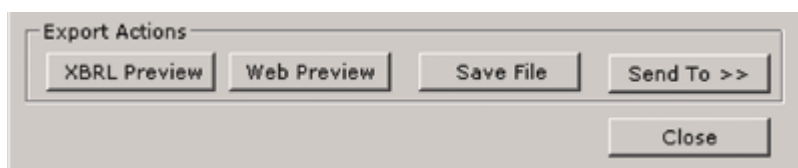
Merge with existing XBRL document

☐ Combine with:    Browse...

Which document takes priority in a conflict?

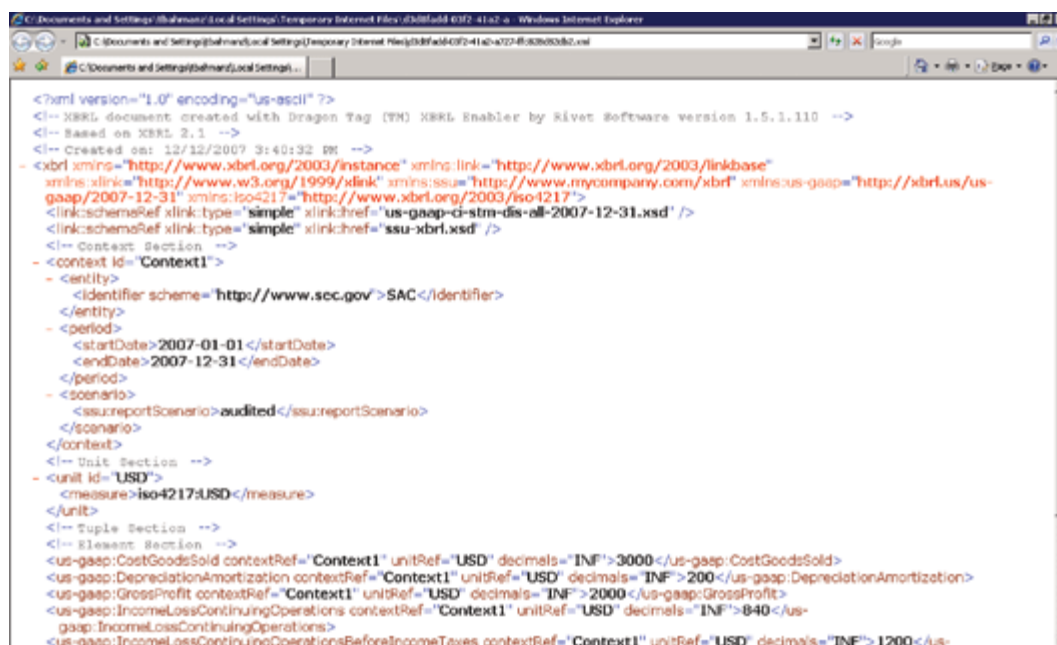
☒ Current    ☐ Existing





Before saving the file, there are two options for previewing: “XBRL Preview” and “Web Preview.” The final

screenshot has an example of the XBRL Preview. It shows the tagged data in XBRL format.



You have now created an “instance document,” which is a document containing tagged data for an individual company. If you wish to see how the recipient of your instance document will view your income statement, Rivet Software offers a free viewing tool called Dragon View. The SEC also has an XBRL viewer (created by Rivet Software) on its Web site ( [www.sec.gov/spotlight/xbrl/xbrlwebapp.htm](http://www.sec.gov/spotlight/xbrl/xbrlwebapp.htm)) so the public can view XBRL files submitted to the SEC as part of its voluntary filing program. The SEC is also making the source code for this viewer available to the public.

Within Dragon View, you can export the instance document to Excel, and the data is instantly ready for analysis. 🍀

## AICPA RESOURCES

### JofA article

“ [ROI on XBRL](#),” June 2007, page 32

### Web site

Information Technology Center, <http://infotech.aicpa.org/Resources/XBRL>

## OTHER RESOURCES

■ XBRL US, <http://xbrl.us>

■ XBRL International, [www.xbrl.org](http://www.xbrl.org)

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